

Exhibit E

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 UWF CONFERENCE CENTER
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The Chair, Carolyn K. Roberts, convened the meeting of the Board of Governors in the UWF Conference Center, University of West Florida, Pensacola, Florida, at 10:40 a.m., November 16, 2006, with the following members present: Sheila McDevitt, Vice Chair; John Dasburg; Dr. Akshay Desai; Ann Duncan; Charles Edwards; Frank Harrison; Dr. Stanley Marshall; Frank Martin; Tico Perez; and Dr. Zach Zachariah. Ms. Ava Parker participated in the meeting by telephone conference call.

Mrs. Roberts noted that the meeting had started prior to the noticed time for the meeting. On the advice of Counsel, she said they would proceed with informational items and consider action items after 12:30 p.m., the noticed start time for the meeting.

1. Call to Order and Chair's Report

Mrs. Roberts thanked President Cavanaugh and his staff for their warm hospitality. She said this was the first time this Board had met at the University of West Florida and the campus had changed quite a lot since her last visit.

President Cavanaugh welcomed the Board to the UWF campus. He said this meeting coincided with the first-ever 2006 Division II National Championships Fall Festival, hosted by the University of West Florida and the Pensacola Sports Association. He said championship competitions would be held in cross country, field hockey, men's and women's soccer, and volleyball; approximately 800 athletes were participating. He said the UWF men's soccer team was in a semi-final match that afternoon. He introduced several of his Trustees who were at the meeting: Mrs. Marny Gilluly, Mr. Roy Smith, Ms. Christina Genualdi, and Mrs. Sharon Hess Herrick. He also reported that the damage done to the campus by Hurricane Ivan in 2004 was now repaired.

Mrs. Roberts thanked the Trustees for their important work on behalf of this University.

Mrs. Roberts extended her thanks and the thanks of all the Board members to Governor Jeb Bush for his outstanding service as Governor. She said he was leaving a huge legacy through his many education initiatives in Florida. She said she was most appreciative of the opportunity to serve the State through her service to this Board.

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Mrs. Roberts said she had had the opportunity to visit with the now Governor-elect prior to the election and to speak about the value of the State University System to the state. She said she hoped to continue to have good dialogue about all the SUS issues. She said there was only a short period of time until the inauguration and the staff would need to be responsive to questions raised by the new team.

She commented that the Academic and Student Affairs staff had really been taxed by the responsibilities associated with staffing the Florida Technology, Research and Scholarship Board. The Technology Board had met the previous Sunday and Monday to decide its recommendations to this Board on the Centers of Excellence. She said the Chair of that Board, Mr. David Griffin, had had a family emergency and was unable to attend the meetings. She thanked Mr. Joe Lacher of the Technology Board who had stepped in and done an excellent job chairing the meetings.

Mrs. Roberts advised the Board that FIU's principal medical school donor, Dr. Herbert Wertheim, had withdrawn his gift of \$20 million to the medical school. She said the Board was very disappointed about this. She said she had been having discussions with the Chair of the FIU Board, David Parker. She said he shared her concern and understood that it was vital that FIU replace the lost funding with new private funding that would ensure that the University would be able to continue this year with its planning for a medical school opening in 2009.

Mrs. Roberts commented that Dr. Wertheim, an appointee of this Board, had also resigned from the FIU Board. She said she had asked Charlie Edwards to work with the Board's Counsel to develop a thoughtful and deliberative process for these appointments. She said this Board should cast a wide net in looking for outstanding Trustees.

Mrs. Roberts said the Audit Committee, chaired by Lynn Pappas, would hold a workshop in Orlando, November 29, 2006, for the members to learn about their roles and responsibilities as members of the Audit Committee. Trustees who served as the Chair of their University Board's Audit Committee had also been invited to participate. She thanked Ms. Pappas for her leadership of this Committee, as well as her leadership of the System Coordination Committee. The System Coordination Committee had met in Orlando on October 25, 2006. She reported that Board members and Trustees had learned at that meeting that there should be more and better communication among all of them.

Mrs. Roberts said the next meeting of the Board would be January 24 and 25, 2007, at Florida Atlantic University, in Boca Raton.

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2. Approval of Minutes of Meeting held September 21, 2006

Mr. Perez moved that the Board approve the Minutes of the meeting held September 21, 2006, as presented. Dr. Zachariah seconded the motion, and members of the Board concurred.

3. Chancellor's Report

Chancellor Rosenberg said the report of the Koret Task Force had led to another round of discussions and conversations on teacher preparation, and a concern about the numbers of teachers being produced by the State University System.

Dr. Rosenberg said he was happy to report that there were now increasing numbers of foreign students studying in the U.S. A recent analysis showed that there was an increase of almost 11,000 foreign students in the past two years. He said this was important to U.S. competitiveness. He said there were about 25,000 foreign students studying in Florida, which was about half the number of foreign students studying in California, the state with the greatest number of these students.

He provided some perspective on this year's freshman class, students born in 1988. He noted that for these students, the Soviet Union never existed; there was one Germany; they had never heard a purchase "rung-up" on a cash register; "Google" was always known; they were unfamiliar with "bad airline food;" and although they were "wireless," they had always been connected.

He also expressed his appreciation to the members of the Florida Technology, Research and Scholarship Board for their work in preparing the recommendations on the Centers of Excellence. He said he was confident that the Legislature would continue to appropriate funds for the 21st Century Scholars Program and the Centers of Excellence, as these were significant programs.

4. Report, Emergency Management Task Force

Dr. Sandra Flake, Provost, UWF, and Chair, Emergency Management Task Force, reported that the Task Force was charged to address SUS preparedness for a variety of emergencies, including hurricanes and other natural disasters, pandemics and acts of terrorism, and technological disasters and failures. She reported that the Task Force had conducted two surveys, and had received testimony from experts in the state in the fields of disaster and bioterrorism, information technology, disaster risk policy and risk management. She said the Task Force had presented preliminary recommendations to the Board in June.

Dr. Flake reviewed the recommendations. She said the Task Force recommended that there should be a full-time position at each university and at the Board Office

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dedicated to emergency management. This individual would ensure the health and safety of the university community; would be better able to coordinate the university response to federal and state mandates and executive orders; and would be prepared to handle increased demands for security and safety. The Task Force also recommended that there should be an information technology disaster recovery/business continuity system in place, including a web-based toolkit of emergency responses; course management systems; email and directory services; and student financial aid, human resources and procurement systems. Dr. Flake noted that this would require a secure network via Lambda Rail, rather than the Internet. She commented that this would require exploration of various funding sources for \$20 million over a five-year period. To address pandemic and other disaster planning, Dr. Flake said the Task Force had recommended appointing a SUS working committee to research best practices; help each university assess its level of preparedness; establish a process for the review of each university's Continuity of Operations Plans; and develop a template to be used by each university to improve its practice.

Dr. Flake said the Task Force recognized that there was inadequate funding for disaster recovery, and recommended changes to several statutory funding provisions. She said the universities were limited to the recovery of depreciation costs, and relied on operating funds for repair. She said the universities should be authorized to recover replacement costs. The Task Force had also addressed ways the universities could access funds immediately to restore university operations, as follows: create a dedicated Emergency Management Trust Fund for the SUS; secure partial or full reimbursement advance from Risk Management; or secure funding from the state emergency fund.

Dr. Flake said UWF had been hit hard by Hurricane Ivan in September 2004. Funds were appropriated to UWF in 2005 to cover some of its losses. In 2006, however, no funds were appropriated to the institutions which had been damaged by the several hurricanes that hit Florida during 2005, and covered losses from operating funds.

Mrs. Roberts thanked Dr. Flake and the members of the Task Force for their thoughtful recommendations. Dr. Rosenberg said preparedness should be the "mantra" for the state and should be embedded throughout the state.

Ms. Duncan commented that the universities should be viewed as mini-cities. She noted that the municipalities within the League of Cities provided emergency assistance to each other. She said as the universities developed the disaster preparedness template, they should be aware of those prepared by other entities. She offered her assistance in making necessary contacts.

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5. Statement submitted by Plaintiffs, *Floridians for Constitutional Integrity, Inc. v. Board of Governors, et al.*; and Presentation, Stephen H. Grimes

Mrs. Roberts said the agenda included a statement prepared by Dr. E.T. York and the other plaintiffs in the *Floridians for Constitutional Integrity* lawsuit. At mediation, she said the Board had agreed that the Plaintiffs could provide the Board with their suggestions relating to the Board's delegation of authority to the Boards of Trustees. She said she had asked the Board's counsel in the case, former Supreme Court Justice Stephen Grimes, to appear and present the Plaintiffs' concerns to the Board. She said that the Board's General Counsel asked that Board members be reminded that because this matter was still pending before the Court, any questions should be limited to the presentation of the Plaintiffs' Statement of Concerns.

Mrs. Roberts welcomed Mr. Grimes. She said she had known Mr. and Mrs. Grimes all her life, as they were also from Bartow, Florida. She said it was a special pleasure to be working with him in this litigation.

Mr. Grimes provided historical background for the lawsuit. He explained that when the Board of Regents was abolished, the Legislature created a K-20 education plan, and the universities were governed by their University Trustees under the Florida Board of Education. In 2002, the voters approved the Constitutional Amendment, supported by Former Senator Bob Graham and Former Chancellor E.T. York, creating the Board of Governors with governance responsibilities for the State University System. The statutes, however, still included references for university matters to be handled by the State Board of Education. The Legislature continued to have appropriations authority over the University System.

He said the lawsuit filed by the Plaintiffs asserted that the State Board's authority over the SUS was inappropriate and that the Court should declare the statutes giving the State Board authority for the universities unconstitutional. He explained that originally, the Board of Governors was represented by counsel for the State Board of Education; Mrs. Roberts had subsequently hired Mr. Grimes as the Board's counsel. He said the Court had ordered mediation to resolve the issues, and at mediation, the parties had agreed that the Board of Governors had authority for the SUS.

Mr. Grimes said the lawsuit included a count that the original meeting of the Board of Governors was not noticed, and that the Chair of the State Board had chaired that first meeting. At that meeting, the Board adopted a Resolution delegating powers and duties to the universities' boards of trustees. He said it was the Plaintiffs' view that some of these delegations were not in the best interest of the State University System, and that the Board should reconsider that action. He said the count relating to the Sunshine violation was dropped during the mediation.

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Mr. Grimes explained some of the Plaintiffs' concerns about the actions taken at that first meeting. He said the references to the boards of trustees and the Board of Governors as "body corporate" were not so named in the Constitution, nor should there be statements which suggested that the Board was giving its responsibilities for the SUS back to the Legislature. The Plaintiffs also argued that the Board might want to reconsider its authority for approving certain high cost bachelor and master's degree programs, as well as consider retaining the authority to approve fees recommended by the university boards of trustees. He said the Board had delegated authority for establishing personnel systems to the university boards; the Plaintiffs recommended some type of shared responsibility for decisions regarding university presidents. The Plaintiffs had also recommended that the Board of Governors should receive the university's final three recommended candidates for president and should make the presidential selection. They also urged that the presidential evaluations be submitted to the Board of Governors for its review and approval. Mr. Grimes noted that one of the items specified that the duties and responsibilities of the boards of trustees were those "set forth in the K-20 Education Code...." The Plaintiffs stated that the K-20 Code had nothing to do with the State University System. Last, the Plaintiffs noted that collective bargaining was now done locally, by each university board. They believed that this was very costly and that the Board of Governors should be the employer for purposes of collective bargaining.

Mr. Grimes said he had agreed that some of the statutes prescribing State Board authority over the SUS were unconstitutional. The Plaintiffs had filed a motion for Summary Judgment asking the Court to declare these statutes unconstitutional; the hearing was set for January 11, 2007. He noted that there was still disagreement between the parties over the statute giving the State Board the authority to approve the award of baccalaureate degrees by community colleges, and the issue of the authority of the Legislature to set tuition. He said it was the Board's view that the Board had the authority to set tuition, but that the Board was not naïve and recognized the need to address this issue in concert with the Legislature. Mrs. Roberts noted that the Legislature was not a party in the lawsuit, and the lawsuit had nothing to do with the Board's relationship with the Legislature.

6. Establishment of an Academic Enhancement Program with piloted implementation at the University of Florida

Mrs. Roberts said President Machen had proposed an Academic Enhancement Program at the University of Florida to provide students a high quality undergraduate education in the State of Florida. Mrs. Roberts welcomed President Machen on the phone from China where he was traveling with a delegation led by the U.S. Secretary of Education. She said the Chair of the UF Board of Trustees, Mr. Manny Fernandez, was available to respond to questions about the proposal.

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Dr. Machen said he was working diligently to improve the quality of education provided to students at the University of Florida. He said he believed students in Florida should be able to attend a university in the state ranked among the nation's top ten schools. This was a challenge since UF ranked last in USA Today's 2006 survey of tuition at 75 public flagship universities nationwide, and its tuition and fees were lower than any of the top 15 public universities as ranked by U.S. News. He said that classes at UF were too large; not enough sections of courses were offered.

He said the Enhancement Program would apply to incoming freshmen and transfer students in the fall of 2007 and would be phased in over four years. The program would add \$500 per semester to the tuition approved by the Legislature for the 2007-2008 academic year and would generate approximately \$36 million annually for the university when it was fully implemented. He explained that the additional funds would be used to hire 200 new tenure track faculty and 100 new academic counselors. The Program would allow UF to improve its student-teacher ratio and to offer more high-demand courses. He explained that the additional funds would allow UF to do more research to support Florida's growing technology industry and Florida's economy. He said it would also improve UF's graduation rate.

Dr. Machen said that every place the group had visited in China had talked about the importance of higher education. He noted that higher education in the United States was the crown jewel of American competitiveness. He said he sought for UF its place among the top 10 public universities in the nation.

Mr. Fernandez said he had distributed copies of the Wall Street Journal with a large photo of the University of Florida and the article describing the increasing academic competitiveness of public universities in the U.S., competing for the brightest students in the nation with the top-rated private institutions such as Harvard and Stanford. He said economic development in the state was directly related to higher education. He said UF had already achieved top ten rankings in numerous categories, but fell short in the category of faculty resources. He described UF's low tuition in comparison with other AAU institutions, noting that UF's tuition was also almost the lowest tuition among the 11 SUS institutions. He said UF could not stand back and wait for tuition authority to be given to the university boards of trustees. He described the proposed Academic Enhancement Program, its gradual phase-in, and explained that 100 percent of the revenues generated from the Program would be earmarked for hiring faculty and academic advisors. He said that other states had tuition differentiation for their "flagship" public institutions and suggested that this was an ideal time to test a new approach to tuition policy in Florida.

Mr. Harrison said the Florida Student Association had adopted a policy to work with the Board in achieving a funding plan and the revenue, including tuition, that would achieve a top-rated and world class State University System of Florida. He said he needed some guarantee that this proposed Enhancement Program at UF would

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improve the quality of education for UF students. He said the campaign for the Lottery had promised that the funds would enhance education, and he did not believe this was now the case. Mr. Fernandez said it was "100 percent the UF Board's intention" to use the funds to add faculty and advisors. He said he was convinced that if the University could offer more courses, more students would graduate in four years. He said the Board of Trustees would oversee the Program and would be accountable. He said he would give this Board an update next year and annually thereafter.

Mr. Harrison inquired how the new charge would impact students with financial aid. Mr. Fernandez said the University would pick up the additional costs for students on financial aid. Mr. Harrison said the students had agreed to the proposed technology fee because the students and the university presidents would work together to determine the appropriate amount of the charge. He said this empowered students to take more ownership of the universities. He inquired how UF would integrate a similar type of joint recommendation regarding this fee. Mr. Fernandez said he would discuss this with President Machen upon his return and bring back answers. Mr. Harrison said this was a very large fee for any student to support. He said he would benefit from a more thorough explanation of the Program.

Dr. Janie M. Fouke, Provost, UF, said this Program had been discussed with UF students. Dr. Machen added that students had been consulted from the outset of the conversations. He added that the Program had been discussed with a Standing Student Advisory Committee, and with Student Government. Mr. Fernandez said the way UF would get to be "great" was through its excellent students.

Mr. John Boyles, Student Body President, UF, said that Dr. Machen had met with students to discuss the Program. He said the students were appreciative of the need for additional faculty and academic advisors. He said the President had assured them of a partnership with this Program. He said students were not automatically opposed to the Program, particularly since students currently enrolled would not pay the fee. He said he was concerned about the accessibility and affordability of UF, and agreed that there were some students who did bear a considerable financial burden. He said students were currently involved in the process of setting other campus student fees and were looking to the administration to involve students in a greater way with this Program, because of the cost and the impact on students.

Mr. Harrison said that in devolving fee authority to the University Boards, he would recommend consideration of a structure providing for joint recommendations from students and administrators. He said this opportunity for student participation should be a part of every fee decision. Mr. Fernandez said the student body president was an important member of the Board of Trustees and would take part in the discussion about the success in implementing this new Program. Mr. Boyles said students worked well with the UF administration and hoped for this good relationship in future years. Mr. Harrison inquired if UF would assure this Board a joint

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recommendation process for the use of this fee. Dr. Machen responded that he needed to understand what was meant by a "joint process." He said this would need to be addressed by the UF Trustees. Mr. Harrison said this meant more than an advisory committee, and that there should be a joint agreement on the use of the fee by students and administrators.

Mrs. Roberts said this fee was prescribed for a specific purpose. She said that students did have a voice, but that there was no specific plan at this moment. This Program was proposed as a model, to be implemented at only one university. She suggested that the Board hear further about UF's plans from Dr. Patricia Telles-Irvin, Vice President for Student Affairs, UF, in January. Mr. Harrison said he understood the specific use of this fee, but he was unclear why UF could not provide this assurance. Ms. Parker said she was also interested in additional detail about the impact of the Program on financial aid recipients.

Mr. Edwards said UF had said the additional dollars would be spent to hire faculty and academic advisors. He said he did not understand Mr. Harrison's question. Mr. Harrison said he was interested in the level of student participation in determining the use of the fee, and that this should be greater than a merely advisory role. Mrs. Roberts said the funds would be used for hiring faculty. She said she did not foresee student involvement in the hiring process. Mr. Fernandez said he understood the concern that the funds could be used for other university needs. He gave his assurance that this money would be earmarked for the specific purpose of hiring faculty and advisors. He added that students receiving financial aid would not be burdened by this fee. He said the Board should trust the process to the UF Board of Trustees.

Mr. Dasburg said the University Trustees, including its student member, should develop the appropriate process. It was not for this Board of Governors to resolve a matter properly in the purview of the UF Board.

Mr. Perez moved that the Board approve the establishment of an Academic Enhancement Program, and further, request legislative authorization for the Board of Governors to delegate authority to a University Board of Trustees to implement a new student fee to support the program, as presented. Ms. Duncan seconded the motion.

Ms. Duncan said she was supportive of the proposal. She said it was important that during the Legislative Session, it was clear that UF was a singular model for the Program. She said she would not support other institutions working into this process.

Mr. Martin said he understood the Program had been approved by the UF Trustees and by its Student Government Association and that it also needed to be approved by the Legislature. Mrs. Roberts explained that with the approval of this Board, this would be a part of the Board's legislative agenda for the 2007 Session.

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There were no further comments. Members of the Board concurred unanimously in the motion.

7. Consideration, 2007 State University System Legislative Agenda

Mrs. Roberts asked Mr. Maxey to review the legislative issues. Mr. Maxey said the Legislature passed the First Generation Matching Grant Program in 2006 to provide financial aid to undergraduate students at state universities who had financial need and whose parents had not earned a baccalaureate degree. The Board had requested \$13 million for the second year of the program, in addition to the \$6.5 million already in the base. The universities would be expected to garner \$6.5 million again, but this year the proposal would be a match of three State dollars for every private dollar. Mr. Perez moved that the First Generation Matching Grant Program be approved as a part of the Board's legislative package. Ms. Duncan seconded the motion, and members of the Board concurred.

Mr. Maxey reviewed the proposed Governance bill. He said this entailed technical corrections to the statutes, to have the statutes properly aligned as to the responsibilities of the State Board of Education and of the Board of Governors. The legislation, as proposed, included no issues as to standards or process. Dr. Rosenberg said he was continuing conversations with the Presidents who had expressed some reservations about certain components of the bill. Ms. Duncan inquired whether Dr. Rosenberg had also had conversations with the University Board Chairs. Dr. Rosenberg said he had been relying on the Presidents. Ms. Duncan inquired about the issues that were seen as controversial within the System. Dr. Rosenberg said there were concerns about removing statutory language prescribing the Trustees' authority. Ms. Duncan moved that the Board approve the proposed Governance bill, in concept, as the Board still needed to see the final product. Mr. Perez seconded the motion, and members of the Board concurred.

Mr. Maxey described the Student Technology Advancement Program, creating a stable and recurring fund source to address numerous technology requirements for campuses. The proposal included a university committee, one-half of the members to be students, to recommend the establishment of and subsequent increase in technology funding. The committee would recommend the fee to the University Board of Trustees; the maximum fee would be \$10 per credit hour. He explained the need for the fee. Students would graduate to compete in a global market and needed to be prepared to operate in a technologically advanced environment. Such a fee would enable universities to complete Wireless Campus initiatives, expand campus bandwidth capabilities, and other campus technology advancements.

Mr. Dasburg said he was strongly opposed to this fee. He said technology was core to a quality education. He said at the maximum of \$10 per credit hour, this amounted to a 3 percent tuition increase. He said if technology was so critical, then this

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Board was obligated to request that specific funding be appropriated by the Legislature, with a specific line item for technology investment. He viewed this as a regressive tax on the poorest people in the state. Mr. Harrison stated an opposing view that this was a proper investment. He said the state of Florida had been given an "F" in the category of affordability for higher education. The cost of education was only one part of the overall cost to attend university, which was greater than tuition and fees and included the costs of living, meals and books. He said he agreed that the Legislature should fund this important issue, but there was a need for a greater overall shared investment in universities, not limited only to this fee.

Dr. Marshall inquired about the sufficiency of the fee. President Cavanaugh replied that the direct answer was no, the fee was not sufficient. He also explained that any mandatory fee was included in the calculation for need-based financial aid. He said technology should be viewed as a utility, but that the Legislature had consistently provided no funds for technology. The lack of sufficient technology compromised the educational program the universities delivered to their students. He said students were not well-served by insufficient or inadequate technology.

Ms. McDevitt said this should be viewed as a capital investment. The Board had begun a serious review of ways to address the SUS facilities needs. This should be added as another part of that discussion. Mr. Perez said the \$10 cap on the fee needed to be included in the proposed legislation. President Maidique acknowledged the current collection of a series of additional fees charged to students, and that including these as a part of tuition was the better route. He said, however, the universities were attempting to solve a specific problem and this seemed to be the way to do that, absent addressing all these issues within tuition. He said the choice was between waiting for a perfect solution or going forward.

Mr. Dasburg said there was a danger as this had to go to the Legislature for its approval, to allow or disallow the fee. He said this was wholly inadequate to address technology. He said the Board needed a technology strategy. He said a fee was not a strategy, it represented an easy way out, and the potential cost would affect many students negatively. Dr. Desai said he tended to agree with Mr. Dasburg, but that he also agreed with Dr. Maidique. He said while the universities waited for a comprehensive approach, there were pressing issues they had to address every day. The universities could not wait for the long-term solution.

Ms. Duncan inquired whether the System had requested line-item funding for technology. Dr. Rosenberg said it had; it had not been funded. He said he was impressed that the students recognized their shared responsibility with the taxpayers for a quality higher education. He thanked Mr. Harrison for his support. He said students were stepping up to the opportunity to help themselves.

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Ms. Duncan moved that the Board approve the Student Technology Advancement Program as a part of its legislative package. Mr. Perez seconded the motion. Members of the Board concurred, with Mr. Dasburg and Dr. Zachariah opposed.

Mr. Maxey explained the proposed amendments regarding Student Safety and Security. State university police departments sought to be included in statute so they could receive officer training from an optional assessment made on court costs. They sought to receive a share of the funds generated from payment of civil penalties based on violations occurring on university campuses, and they sought funds to support their shift to a statewide communications system. Mr. Edwards moved that the Board support the proposed amendments, as described, as a part of the Board's legislative package. Mr. Perez seconded the motion, and members of the Board concurred.

Mr. Maxey reviewed the 21st Century Economic Development Initiative, which continued the initiatives begun in 2006. Ms. Duncan said she wanted to work with staff in developing the specific statutory language. She suggested that the Board approve this proposal, in concept, with approval of the specific language in January 2007. Members of the Board concurred.

Mr. Maxey explained the proposal to delegate the authority to name buildings for living persons to the Board of Governors by the Legislature. Mr. Edwards commented that this had been attempted the previous year, as well. Mr. Perez moved that the shift in the authority for naming university buildings be a part of the Board's legislative package. Dr. Zachariah seconded the motion, and members of the Board concurred.

Mr. Maxey invited Dr. Barbara Wingo, Interim General Counsel, UF to explain the amendments to statutes dealing with liability insurance and payment of costs of civil actions against employees. Dr. Wingo said the proposed amendments would authorize university trustees to be involved in the defense of medical employees of the universities working with university affiliated health clinics. Mr. Dasburg moved that the Board support the proposed amendments, as presented. Mr. Perez seconded the motion, and members of the Board concurred.

Dr. Ken Jessell, Vice President for Administrative Affairs, FAU, explained the proposed amendments to the SUS Optional Retirement Program. Mr. Dasburg moved that the Board include the proposed amendments, as presented, as a part of the Board's legislative package. Mr. Perez seconded the motion, and members of the Board concurred.

Mr. Edwards said that the Board had now adopted seven policies as a part of its legislative package. These were, as follows: the UF Academic Enhancement Program, the First Generation Matching Grant Program, the Student Technology Advancement

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Program, the Student Safety and Security issues, the Authority to Name Buildings, the Medical Services Review and Evaluation issues, and the SUS Optional Retirement Program. He moved that no university or representative of a university oppose any of these legislative initiatives without the approval of the Chancellor. Mr. Dasburg seconded the motion, and members of the Board concurred unanimously.

Mr. Edwards explained that the intent of this action was that these were the Board's priorities and no university might oppose these without prior discussion with the Chancellor. Mr. Dasburg inquired how this would be enforced. Mr. Edwards suggested that this did not need to be discussed at this meeting.

8. Status Reports/ Action Items, Board Committees

A. Facilities Committee

Mr. Harrison said Chancellor Rosenberg had given an excellent presentation the previous day on the extensive facilities needs of the State University System. Dr. Rosenberg said he had received a report from a Task Force he had appointed on the numerous facilities challenges facing the System. He said he expected to bring his recommendations to the Board in January 2007 for action. In summary, he said the universities needed to improve the current utilization of their campus facilities. He said he hoped the universities could garner increased funding for facilities. He said he would also make recommendations regarding an approach to the renovation and maintenance of the System's 3500 buildings and a new approach to construction with an emphasis on sustainability.

Mr. Harrison said the Committee had also reviewed and approved several items for Board action, as follows.

1. Approve Debt Management Policies, UF and FGCU

Mr. Harrison moved that the Board approve the adopted Debt Management Policies of the University of Florida and Florida Gulf Coast University, as presented. Mr. Edwards seconded the motion, and members of the Board concurred.

2. Authorize Release of Funds from the University Concurrency Trust Fund in accordance with the Campus Development Agreement between the UCF Board of Trustees and Orange County

Mr. Harrison moved that the Board approve the allocation and authorize the Department of Education to release funds in the amount of

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\$3,817,690 to Orange County, Florida, as agreed in the Campus Development Agreement between the UCF Board of Trustees and Orange County, as presented. He noted that the parties had signed the Campus Development Agreement consistent with this action. Mr. Edwards seconded the motion, and members of the Board concurred.

3. Approve Resolution approving the Issuance of Revenue Bonds by the Florida Gulf Coast University Financing Corporation to Finance Student Residences, Phase VIII, and Associated Infrastructure, Main Campus, FGCU

Mr. Harrison moved that the Board adopt the resolution approving the issuance of fixed rate, tax-exempt, revenue bonds, by the Florida Gulf Coast University Financing Corporation, in an amount not to exceed \$25,000,000 for the purpose of financing the construction of the Student Residences, Phase VIII, and associated infrastructure on the main campus of Florida Gulf Coast University, as presented. Mr. Edwards seconded the motion, and members of the Board concurred.

B. Academic Programs/Strategic Planning Committee

1. Approve, Ph.D., Animal Molecular and Cellular Biology, UF

Mr. Dasburg moved that the Board approve the proposed Ph.D. in Animal Molecular and Cellular Biology, at the University of Florida, CIP Code 26.0204, as presented. Dr. Desai seconded the motion, and members of the Board concurred.

2. Approve, Ph.D., Computational Science, FSU

Mr. Dasburg moved that the Board approve the proposed Ph.D. in Computational Science, at Florida State University, CIP Code 30.0801, as presented. Dr. Desai seconded the motion, and members of the Board concurred.

3. Approve, Ph.D., Materials Science and Engineering, FIU

Mr. Dasburg moved that the Board approve the proposed Ph.D. in Materials Science and Engineering, at Florida International University, CIP Code 14.1801, as presented. Dr. Desai seconded the motion, and members of the Board concurred.

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4. Expansion Plans in Charlotte County, FGCU

Mr. Dasburg said the Committee had also heard from President Merwin on the expansion plans of Florida Gulf Coast University in Charlotte County. He had reviewed the geographic constraints of his campus. Following committee discussion, President Merwin had agreed to go back and reconsider property issues and formulate the University's plans in accordance with the recommendations from the Pappas Consulting Group.

5. Status Report, Future Structure of the State University System, Pappas Consulting Group

Mr. Dasburg introduced Dr. Alceste Pappas of the Pappas Consulting Group. He explained that the Board Foundation had raised the funds to hire a consultant to help the Board shape the future structure of the State University System. The Pappas Consulting Group was found to be the most qualified of the firms submitting proposals for the project. He said the objective for the Board was to receive the consultants' recommendations in January 2007 for the structure of the University System over the next 20 years. He said this project was consistent with the Board's first Strategic Plan which had been silent on structure. He invited Dr. Pappas to provide a status report on the project.

Dr. Pappas said she had begun this project in September 2006. She explained the task assigned was to look at the State University System structure at the 90,000 foot level out to the year 2030. Thus far, she had reviewed a great many documents from the System and from the universities, from the community colleges, the ICUF institutions, and from the Southern Regional Education Board. She said the meetings with each university had been the most useful. She said she had met with leading administrators from each university for about four hours and had heard where each university wanted to go and what was right for the State of Florida. She said each university had shared its data with her. She said she had also met with Board staff, and met regularly with Dr. McKee and Dr. Johnson.

Dr. Pappas said she had also met with members of the Legislative Leadership, and with representatives of the ICUF institutions. She had spoken with Mr. David Armstrong, Chancellor of the Department of Education Division of Community College and Workforce Education, and his chief academic officer. She had met with the community college presidents whose colleges offered the applied baccalaureate degree. She had met with Mr. John Winn, Commissioner of Education, and with Mr.

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Phil Handy, Chair, State Board of Education, with representatives of the Faculty Senates of the universities, and with most of the members of this Board.

She noted that the State University System of Florida did not exist in isolation. There was a role for the private sector and for the community colleges. She noted the diversity of the population base in Florida and the importance of higher education to research and economic development in the state.

She explained that as a consultant, she had worked with numerous university systems, including the SUNY and CUNY systems, and systems in Idaho, Illinois, Montana, New Jersey, Oregon, Texas, North Carolina, Arizona, Georgia and Massachusetts. As systems, they were sorting out how intentionally to plan for the future as to governance and accountability. She said that nimbleness at the campus level needed to mesh with System plans and central authority. She said the issue of tuition authority was also significant, as were issues of mission differentiation.

Dr. Pappas commented that Florida had the newest State University System in the country. Many in the state still carried the memory of a Board of Regents which had different roles and responsibilities. There were now local Boards of Trustees and a Board of Governors beginning a process of redefining relationships. She noted that systems in Texas and North Carolina had been in place for decades. She noted that Chancellors for state systems were now coming to their positions with new perspectives. In Georgia, the system head had been in the energy business; the new President of the UNC system had been the Chief of Staff to Former President Clinton; the head of the SUNY system was a retired military officer. She said these were leaders who thought strategically and were redesigning business processes to be more efficient. She said Chancellors were thinking about what was value-added for a campus and what was value-added for a system.

Dr. Pappas said in the years when Florida was developing the K-20 education concept, there was a shifting of resources to the K-12 sector. She said it was important to determine the allocation of resources and better collaboration across the entire K-20 pipeline.

She noted that the UNC President met with the 50 community college presidents on a quarterly basis. They developed a joint approach on strategic initiatives and issues that had an impact on K-12. She commented that the convergence of economic development and

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globalization had a profound influence on the mission of universities and community colleges. She said universities traditionally spoke of their three-part mission of teaching, research and service; economic development should perhaps be added to the university mission.

Dr. Pappas stated that mission differentiation could not be all things to all people. Not every institution should aspire to AAU membership or to a significant research role. The Board needed to have a way to make decisions about its strategic plan. There were issues of physical space and technology. She said that access was broader than bricks and mortar. Institutions were blending course offerings and e-learning. There were also variations in outcomes and performance measures. She commented, for example, that for socio-economically disadvantaged students, quickness to graduation might not be the correct outcome measure.

She said the dialogue would continue when she brought her recommendations to the Board in January. Mr. Dasburg thanked Dr. Pappas and said the Board looked forward to her full report.

C. Research and Economic Development Committee

Ms. Duncan said the Research and Economic Development Committee had approved two major items for Board action. She thanked Mr. Joe Lacher for stepping in to serve as the Acting Chair of the Florida Technology, Research, and Scholarship Board, and bringing to this Board its recommendations for the 2006 Centers of Excellence Program. She thanked Governor Bush and legislators for creating these exciting programs, the Centers of Excellence and the 21st Century World Class Scholars, and for providing significant funds for them. She said she hoped this was just the beginning for these important programs. She said the Committee had also discussed appropriate accountability measures by which to judge these programs.

1. Approve recommendations for the 2006 21st Century Scholar Awards

Ms. Duncan moved that the Board approve the awards, totaling \$20 million, associated with the 2006 21st Century Scholars Program, as presented. Mr. Perez seconded the motion, and members of the Board concurred. Ms. Duncan added that the universities would report to the Board in February/March verifying that the universities' match of these state funds had been secured.

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2. Approve recommendations for awards for the 2006 Centers of Excellence Program

Ms. Duncan moved that the Board accept the recommendations of the Florida Technology, Research, and Scholarship Board, and approve the awards associated with the 2006 Centers of Excellence Program, as presented. She said six Centers were approved at varying funding levels. Mr. Martin seconded the motion, and members of the Board concurred.

9. Adjournment

Having no further business, the Chair adjourned the regular meeting of the Florida Board of Governors at 2:30 p.m., November 16, 2006.

Carolyn K. Roberts,
Chair

Mary-Anne Bestebreurtje,
Corporate Secretary